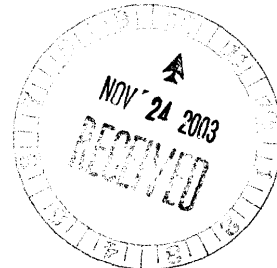


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November 21, 2003

VIA FAX (202-565-9002) AND UPS OVERNIGHT MAIL

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
Mercury Building
1925 K Street, N.W.
Washington, D.C. 20423

ENTERED
Office of Proceedings

NOV 24 2003

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RE: **STB Docket No. AB-254 (Sub-No. 7X)**
Providence and Worcester Railroad Company ("P&W") – Abandonment
Exemption in Southbridge, Webster and Dudley, Massachusetts,
Thompson, Connecticut ("Southbridge Running Track")
Filed on October 15, 2003

Dear Secretary Williams:

This letter is in response to the November 14, 2003 filing by the Commonwealth of Massachusetts Executive Office of Transportation and Construction (the "Commonwealth") regarding the abandonment of the Southbridge Running Track ("SRT") and the Commonwealth's request for a Public Use Condition and an Interim Trail Use Condition. I have enclosed ten (10) copies for your convenience.

As background information, the Commonwealth and P&W have a long history of negotiations regarding the purchase of the SRT as a bike path dating back to the early 1990's. Based on P&W's understanding that the Commonwealth intended to purchase the SRT, which was reinforced by the appropriation of \$1.3 million in legislative funds for that purpose, P&W granted the Massachusetts Highway Department ("MHD") the right to remove a railroad bridge in downtown Southbridge in 2000 in order to accommodate MHD's construction projects. In fact, this severed P&W's continuous corridor and although we have requested that the bridge be rebuilt, the Commonwealth has not complied with our request. As I am sure you can understand, it is imperative that P&W's ability to sell the SRT does not continue to be impaired if the Commonwealth fails to purchase the property.

PROVIDENCE AND WORCESTER RAILROAD COMPANY
75 HAMMOND STREET, WORCESTER, MA 01610 P.O. BOX 16551, WORCESTER, MA 01601
TELEPHONE (508) 755-4000 FAX (508) 795-0748



Secretary Williams
November 21, 2003
Page 2

With respect to imposition of the Public Use Condition, P&W objects to the justification offered to support the request. The filing states that a 180 day period is necessary in order to "assemble and review title information, perform appropriate due diligence and complete negotiations with the carrier." As noted below, this representation would seem to be incorrect, since the Commonwealth has been interested in this property for 10+ years, has appropriated funds for its purchase and it is difficult to believe that it has neither performed a cursory title review nor done any due diligence necessary to complete the transaction.

However, P&W is amenable to negotiating an interim trail use agreement with the Commonwealth with the understanding that the Commonwealth has agreed to purchase the SRT and the parties expect this to occur. I have asked the Commonwealth to confirm this understanding. We anticipate that good faith efforts will be made to adhere as closely as possible to the spirit of negotiations thus far. Obviously, if the STB grants the Commonwealth's request for issuance of a Public Use Condition on the property, P&W will comply with the statutory requirements imposed. However, as mentioned previously, the Commonwealth has had 10+ years to "assemble and review title information and perform appropriate due diligence" and P&W has provided as much information as possible to assist the Commonwealth in that regard. If an agreement cannot be reached among the parties at the conclusion of the time period imposed by the STB, P&W will exercise its right to terminate negotiations and seek to implement the abandonment. In that event, P&W will insist that the bridge be immediately restored.

We look forward to working with the Commonwealth in completing this transaction as expeditiously as possible. Please do not hesitate to contact me if you have any questions or need any further information.

Very truly yours,

Amy Silverstein
Assistant General Counsel